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F FROM: Fiscal Inspector
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SUBJECT: Memorandum of 26 October 1950 from Committee on
Expenditures in the Executive Department

1. It is hoped that the comments furnished herewith with respect to the information requested by the above Committee on Public Law No. 110 will prove to be beneficial in submitting the reply to the Committee.

2. With regard to the steps that have been taken to carry out the provisions of the cited Act, it can be said that numerous Agency regulations have been issued thereunder to cover the fields contained in the law. These regulations were issued to determine the actual benefits or restrictions to be derived and provide a basis of determining the propriety and handling of Agency expenditures. Some of the regulations issued cover the items of travel, allowances, and related expenses; Agency program on education and training and allowable expenses payable thereunder; the cleaning, purchase, storage and maintenance of firearms; expenses of travel in conjunction with and incident to attendance at meetings of professional, technical, scientific and other similar organizations; proper use of Government-owned automotive equipment and transportation expense of privately-owned automobiles; Agency medical program; payment of travel expenses incurred and requirements of granting employees home leave and other regulations which cover the provisions of the law. A more complete listing of steps that have been taken would be a complete submission of resultant Agency Administrative Instructions which have been issued, should it be desired to furnish detailed information.

3. The apparent administrative deficiencies elimination or improvements which have been made in the organization and management of the Agency are the granting of benefits which were not generally possible prior to the Act and the providing of a basic law which would govern Agency policies and regulations.

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A definite deficiency in the Agency's personnel program was eliminated since certain employee benefits were permitted to be granted which heretofore were not generally possible. These benefits were considered necessary to fulfill personnel obligations due to the peculiarity of Agency operations and assignments. Also, by providing a basic law a great improvement in the organization and management of the Agency resulted. Previously the Agency lacked budgetary and fiscal stability due to the absence of appropriation language and the ~~many~~ hamperings of working fund limitation in carrying out the Agency's mission which is most uncommon in other Government agencies.

4. It is difficult to visualize savings to be expected as a result of the enactment of the law inasmuch as the Act provided for the further expenditure of funds than previously possible. However, the Agency ~~which~~ while being aware of the broad powers conferred upon it has given careful consideration in its regulations and controls wherein normal Government practices in the expenditures and means of economy are ~~at~~ followed except when circumstances required deviation to effectively accomplish its mission.

5. The Federal Property and Administrative Services Act of 1949, and amendments thereto (P.L. Nos. 152 and 754) has afforded ^{assistance to} the Agency in its records management program and the activities engaged by the Services Division.. Administrative Instruction 50-16 can be used to depict the scope and extent to which these Acts have affected the Agency in the improvement and reduction of record utilization, filing and creation of a continuing program for the economical and efficient control of Agency records. The general effect of the other provisions of the law ~~was~~ to provide the Services Division with uniform policies and methods of procurement, supply and related functions such as the expeditious transfer of excess property with other agencies, establishing a uniform system for classification of property ,

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and standardization of contract forms, specification and procedures. A more and possibly complete determination of the effect the laws have had on the Agency's property management can be furnished by the Services Division.

6. The passage of Public Law No. 784, named the Budget and Accounting Procedures Act of 1950 has not had a great affect oh present fiscal activities since enumerable regulations required thereunder have not been issued *by the General Accounting Office* thereby making it too early to resolve the overall affect that the law will have at this time. However, the Act and regulations to be issued conceivably will have a great affect in a number of divisions; reporting and accounting procedures and will grant it a greater responsibility and authority in maintaining Agency accounts.